

# THE BOND BUYER

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## Calif. Courthouse Repairs

*State Lawmaker Eyes \$5B for Renovations*

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By [Rich Saskal](#)

SAN FRANCISCO -California's courthouses are falling apart, according to Senate president pro Tem Don Perata, D-Oakland, who yesterday announced legislation that would authorize \$5 billion in lease-revenue bonds to bring them up to snuff.

Bond proceeds would finance about 50 sorely needed capital projects, Perata said at a press conference.

"Everyone is guaranteed a day in court, but in California that right is jeopardized by inadequate facilities that threaten the safety of everyone in the building," Perata said. "It is time to invest in this critical area of the state's infrastructure in a way that does not hurt the state's general fund."

SB 1407 was introduced earlier this year, but the details weren't filled in until now, ahead of a hearing today in the Senate's public safety committee.

"Some court buildings are in such desperate shape that they no longer provide a safe and secure environment for conducting everyday court business," California Chief Justice Ronald George said.

Some of the revenue to repay the debt would come from additional court fees,

including filing fees and additional fees and fines imposed on those convicted of crimes.

As a lease revenue bond, the bill requires a two-thirds vote of the Legislature but need not be approved by voters. It is the latest of many bond authorizations working through the Legislature even as the state faces a sizable general fund deficit.

That structural deficit for fiscal 2009 has been projected in the \$8 billion to \$10 billion range, but Gov. Arnold Schwarzenegger has recently been dropping hints that it could be higher. A formal estimate, incorporating April's income tax returns and updated economic forecasts, comes next Wednesday, May 14, when the governor announces his "May revise" budget proposal.

Another lease-revenue bond bill would authorize \$6.9 billion for prison health care facilities. The bill comes at the request of a federal court receiver who has been given broad authority over the prison health system because of a lawsuit accusing the state of failing to adequately care for prisoners.

Other bond bills include a \$3 billion general obligation measure to finance "renewable energy and clean technology businesses, jobs, and educational and worker training programs."

SB 1672 is scheduled to go before the Senate Appropriations Committee Monday. As a GO bond bill, it would have to be approved by a two-thirds vote in each house and then by voters.

SB 1670 would authorize \$2 billion in state GOs to improve the energy efficiency of state-owned and leased buildings. It has cleared the Senate Environmental Quality Committee, and been referred to the appropriations committee.

Another GO bond bill calls for a \$4 billion library bond measure to go before voters in 2010. SB 1516 passed the Senate education committee, and is now in the appropriations committee "suspense file," where spending bills wait while the leadership decides what to do with them.

A bill that would ask voters to approve \$900 million in new veterans mortgage revenue bonds this November has already cleared the Senate and is in the Assembly.

The "Cal-Vet" bonds are ultimately backed by a state GO pledge, according to a Senate staff analysis, but the program is designed to be self-sustaining and has always succeeded in remaining so.

In November, voters are scheduled to vote on a \$9.95 billion GO bond measure to finance a high-speed passenger train system.

An Assembly bill would change the language in the measure to use bond proceeds to finance individual segments of the system. That bill is scheduled for a hearing Wednesday in the Assembly Appropriations Committee.

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